

CPP ANNUAL USE OF CAPITAL SURVEY - 2011



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Old Second Bancorp, Inc.

Point of Contact:	Old Second Bancorp, Inc.	RSSD: (For Bank Holding Companies)	1206911
UST Sequence Number:	489	Docket Number: (For Thrift Holding Companies)	
CPP/CDCI Funds Received:	73,000,000	FDIC Certificate Number: (For Depository Institutions)	3603
CPP/CDCI Funds Repaid to Date:		Credit Union Charter Number: (For Credit Unions)	
Date Funded (first funding):	January 16, 2009	City:	Aurora
Date Repaid ¹ :	N/A	State:	Illinois

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP) and Community Development Capital Initiative (CDCI). To answer that question, Treasury is seeking responses that describe generally how the CPP/CDCI investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP/CDCI investment was deployed or how many CPP/CDCI dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP/CDCI capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP/CDCI funds were outstanding).

☒ **Increase lending or reduce lending less than otherwise would have occurred.**

The company reduced assets in order to support capital ratios. Without the CPP capital, the company may have reduced assets more than was the case.

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☐ To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).

☐ Increase securities purchased (ABS, MBS, etc.).

☐ Make other investments.

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☐ Increase reserves for non-performing assets.

☒ Reduce borrowings.

The company reduced borrowings with a portion of the CPP funds.

☐ Increase charge-offs.

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<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution.
Empty space for response	

<input type="checkbox"/>	Held as non-leveraged increase to total capital.
Empty space for response	

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What actions were you able to avoid because of the capital infusion of CPP/CDCI funds?

The company was able to avoid more extensive reductions in assets and expenses. More severe actions, such as selling loans or suspending dividends on CPP, were also avoided.

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What actions were you able to take that you may not have taken without the capital infusion of CPP/CDCI funds?

Although demand for loans was down, without these the CPP funds we would have been more restricted in our ability to lend. We were able to continue lending to qualified borrowers.

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Please describe any other actions that you were able to undertake with the capital infusion of CPP/CDCI funds.

Although business was down, generally, we were able to continue operating the business as normal, serving new and existing loan and deposit customers.